GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:2960
ANSWERED ON:16.03.2001
EFFECTS ON FDI FROM US
BASUDEB ACHARIA

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Government are aware that FDI into India would be discouraged of US by global over capacity and foreign portfolio investment may shrink dramatically due to plunging US stock market and increasing trade deficit; and

(b) if so, the steps being considered by the Government to face the worst?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (DR. RAMAN SINGH)

(a) : The foreign investment is dependent on several factors such as domestic economic conditions; policy regime governing foreign investment; world economic trends and strategy of global investors. US ranks No. 1 in so far as foreign investment into India is concerned.

(b) : With a view to further refining the Foreign Direct Investment (FDI) Policy and enhancing India`s attractiveness as an investment destination, Government has already put in place a transparent, dynamic and investment friendly FDI policy placing almost all activities under the automatic route for FDI upto 100% except a small list.